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FOR NEA/ELA, NEA/RA, AND OES; PASS TO USAID AND OPIC

E.O. 12958: N/A

TAGS: [EAID](#) [SENV](#) [JO](#)

SUBJECT: JORDAN SLOWLY AND CAREFULLY PROCEEDING WITH PLANS  
TO TAP INTO DISI AND AQABA WATER RESOURCES

REF: A. 06 AMMAN 8401

[1](#)B. 06 AMMAN 4692

Sensitive but unclassified -- protect accordingly. Not for  
internet distribution.

[1](#)1. (SBU) Summary and comment: After years of research and  
discussion, the GOJ is evaluating three bids to transfer  
water from the Disi Aquifer in southern Jordan to Amman.  
Officials are also contemplating an unofficial offer from an  
Arab country to exploit Disi and/or build a large  
desalination plant at cost in exchange for real estate  
development projects. Both approaches are viable according  
to Bassem Awadallah, Director of King Abdullah's office, who  
stressed that there would be considerable private sector  
involvement. Awadallah is hopeful that Disi water will reach  
Amman by 2011. Continued economic and population growth will  
increase Jordan's water needs, and desalination is a  
long-term solution which could also benefit neighboring  
countries. Awadallah admits that Jordan would eventually  
need to address heavy agricultural use of its limited water  
resources, a politically sensitive issue. Comment: Post  
believes that water from Disi, a fossil aquifer, should not  
be used for agricultural purposes. Groundwater levels in  
Jordan are steadily dropping and post has encouraged the GOJ  
to promote increased water use monitoring and regulation.  
End summary and comment.

[1](#)2. (SBU) OPIC representatives Vice President for Structured  
Finance Robert Drumheller, Director of Structured Finance  
Nancy Rivera, and Maria Goravanchi visited Jordan June 10 -  
12 for meetings with Jordanian officials in Aqaba and Amman  
on plans to develop projects for the delivery of water from  
the Aqaba region to Amman and other areas. Following  
technical discussions in Aqaba, the OPIC team met June 12  
with Bassem Awadallah, Director of the King's Office, who  
briefed them, the Ambassador, FCS Counselor, and EconCouns on  
Jordan's water strategy. Awadallah identified water security  
as one of three key elements of Jordan's five-year plan.  
Energy security and infrastructure security, including roads,  
rail, and pipelines, are the other two elements.

[1](#)3. (SBU) Awadallah commented that "all governments are  
cautious on mega-projects," but said that after ten years of  
no progress, the GOJ was ready to move forward on a  
Build-Own-Transfer system to deliver groundwater to Amman  
from the Disi Aquifer. The top three bids from the private  
sector are on the desk of the Prime Minister, who has also  
received recommendations from the Ministry of Finance and the

Ministry of Water and Irrigation. He said the proposals' price per cubic meter of water was higher than desired, so the GOJ was also weighing an informal proposal from an Arab country to provide water at cost as part of a real estate development proposal. Whether the GOJ accepted one of the bids or pursued a deal with an Arab country, Awadallah was confident the project could be done and was optimistic that work on the Disi Aquifer could begin by 2009 with water delivery in 2011. He restated the GOJ commitment to private sector involvement in the winning bid, welcomed news that OPIC had offered to provide financing to some of the successful and unsuccessful bidders, and encouraged continued OPIC involvement. Awadallah was also sensitive to the need to address environmental concerns in Aqaba, and admitted that Jordan needed to address the political hot potato of water consumption by the agricultural sector.

14. (SBU) Despite efforts to proceed with the Disi project, with 6 per cent economic growth, 2.4 per cent population growth, and increasing industrial demands for water, Jordan's needs and the price of water would continue to rise, Awadallah explained. He said the long-term solution to Jordan's water problems was desalination, either in tandem with Disi or the Red Sea - Dead Sea Conveyance project. The latter would not only raise the water level of the Dead Sea, but could also address regional water shortages. Construction of a desalination plant could occur independent of or concurrent with the Disi project. Awadallah added that after years of fruitless discussions with the Israelis and the Palestinian Authority, Jordan was going to pursue a desalination project independent of the Red-Dead project, while still waiting for the results of a World Bank coordinated feasibility study funded by international donors,

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including the U.S. Awadallah also outlined a plan "still on the drawing board" for the Wadi Araba region that would bring desalinated water up from a plant to be located on the Red Sea. He asserted increased water resources would attract economic development, provide economic opportunities to residents thereby eliminating the emergence of more Zargawis, and serve as a money-making vehicle through the sale of water to Jordan's neighbors.

15. (U) OPIC did not clear this message.

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